

## **NEWS RELEASE**



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# Consumer Price Index, San Diego - Second Half 2014 Area prices were down 0.1 percent over the past six months, up 1.3 percent from a year ago

Prices in the San Diego Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), inched down 0.1 percent in the second half of 2014, the U.S. Bureau of Labor Statistics reported today. (See <u>table A.</u>) Regional Commissioner Richard J. Holden noted that the January decrease was influenced by lower prices for gasoline and apparel. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 1.3 percent. (See <u>chart 1</u> and <u>table A</u>.) Energy prices decreased 2.1 percent, largely the result of an decrease in the price of gasoline. The index for all items less food and energy advanced 1.4 percent over the year. (See <u>table 1</u>.)

4.0
3.5
3.0
2.5
2.0
1.5
0.0
First half Second First half Second First half Second First half Second 2011 half 2011 2012 half 2012 2013 half 2013 2014 half 2014

Chart 1. Over-the-year percent change in CPI-U, San Diego, First half 2011 - Second half 2014

Source: U.S. Bureau of Labor Statistics.

#### Food

Food prices advanced 1.3 percent in the second half of 2014. (See <u>table 1</u>.) Prices for food away from home increased 1.9 percent, and prices for food at home increased 1.1 percent for the same period.

Over the year, food prices rose 2.8 percent. Prices for food away from home advanced 3.4 percent since a year ago, and prices for food at home advanced 2.7 percent.

#### **Energy**

The energy index decreased 6.2 percent since the first half of 2014. The decrease was mainly due to lower prices for gasoline (-11.1 percent). Prices for natural gas service advanced 0.6 percent, and prices for electricity increased 5.6 percent for the same period.

Energy prices decreased 2.1 percent over the year, largely due to lower prices for gasoline (-7.3 percent). Prices paid for electricity advanced 9.0 percent, and prices for natural gas service jumped 11.7 percent during the past year.

### All items less food and energy

The index for all items less food and energy advanced 0.4 percent in the latest six-month period. Higher prices for shelter (1.1 percent), household furnishings and operations (0.5 percent), and education and communication (0.4 percent) were partially offset by lower prices for apparel (-4.0 percent) and other goods and services (-0.5 percent).

Over the year, the index for all items less food and energy advanced 1.4 percent. Components contributing to the increase included shelter (2.3 percent) and household furnishings and operations (0.8 percent). Partly offsetting the increases were price declines in recreation (-0.5 percent) and apparel (-0.4 percent).

Table A. San Diego CPI-U monthly and annual percent changes (not seasonally adjusted)

	2009		2010		2011		2012		2013		2014	
	Semi-		Semi-		Semi-		Semi-		Semi-		Semi-	
Month	annual											
First Half	-0.5	-0.6	0.2	1.4	2.3	3.4	1.3	1.7	0.6	0.9	1.4	2.4
Second Half	1.1	0.6	1.0	1.2	0.4	2.7	0.3	1.5	1.1	1.7	-0.1	1.3

The first half of 2015 Consumer Price Index for the San Diego is scheduled to be released on August 19, 2015.

#### **Technical Note**

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at <a href="www.bls.gov/cpi">www.bls.gov/cpi</a> and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at <a href="www.bls.gov/opub/hom/homch17">www.bls.gov/opub/hom/homch17</a> a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar.

NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.

The San Diego, CA metropolitan area covered in this release consists of San Diego County in the State of California.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods San Diego, CA (1982-84=100 unless otherwise noted)

	Semia	nnual average i	Percent change to 2nd half 2014 from-			
Item and Group	2nd half 2013	1st half 2014	2nd half 2014	2nd half 2013	1st half 2014	
Expenditure category						
All items	261.679	265.251	265.039	1.3	-0.1	
All items (1967=100)	884.815	896.895	896.178	-	-	
Food and beverages	238.000	241.797	244.716	2.8	1.2	
Food	235.254	238.846	241.836	2.8	1.3	
Food at home	219.128	222.500	225.005	2.7	1.1	
Food away from home	254.719	258.279	263.314	3.4	1.9	
Alcoholic beverages	258.299	264.228	266.241	3.1	0.8	
Housing	287.897	291.893	294.532	2.3	0.9	
Shelter	322.665	326.544	329.977	2.3	1.1	
Rent of primary residence	316.492	319.094	322.979	2.0	1.2	
Owners' equiv. rent of residences (1)	344.154	348.321	351.241	2.1	0.8	
Owners' equiv. rent of primary residence (1)	344.154	348.321	351.241	2.1	0.8	
Fuels and utilities	258.323	271.941	270.773	4.8	-0.4	
Household energy	218.131	227.904	237.777	9.0	4.3	
Energy services	213.319	222.429	232.333	8.9	4.5	
Electricity	202.287	208.845	220.539	9.0	5.6	
Utility (piped) gas service	175.884	195.329	196.419	11.7	0.6	
Household furnishings and operations	180.765	181.269	182.221	0.8	0.5	
Apparel	136.305	141.401	135.721	-0.4	-4.0	
Transportation	224.112	228.254	218.362	-2.6	-4.3	
Private transportation	215.470	218.584	209.886	-2.6	-4.0	
Motor fuel	306.037	319.319	284.058	-7.2	-11.0	
Gasoline (all types)	306.179	319.363	283.979	-7.3	-11.1	
Gasoline, unleaded regular (2)	319.042	332.863	295.533	-7.4	-11.2	
Gasoline, unleaded midgrade (2) (3)	261.421	272.546	-	-	-	
Gasoline, unleaded premium (2)	307.398	320.364	286.446	-6.8	-10.6	
Medical care	413.157	420.045	-	-	-	
Recreation (4)	149.511	148.429	148.738	-0.5	0.2	
Education and communication (4)	145.910	146.082	146.694	0.5	0.4	
Other goods and services	369.027	372.694	370.999	0.5	-0.5	
Commodity and service group						
All Items	261.679	265.251	265.039	1.3	-0.1	
Commodities	199.269	201.906	197.980	-0.6	-1.9	
Commodities less food & beverages	178.250	180.354	173.024	-2.9	-4.1	
Nondurables less food & beverages	202.309	206.847	194.996	-3.6	-5.7	

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods San Diego, CA (1982-84=100 unless otherwise noted) - Continued

			Percent change to 2nd half		
	Semia	nnual average ir	2014 from-		
Item and Group	2nd half 2013	1st half 2014	2nd half 2014	2nd half 2013	1st half 2014
Durables	151.744	150.520	149.613	-1.4	-0.6
Services	317.006	321.399	324.358	2.3	0.9
Special aggregate indexes					
All items less medical care	254.465	257.887	257.417	1.2	-0.2
All items less shelter	238.706	242.288	240.352	0.7	-0.8
Commodities less food	181.919	184.177	177.202	-2.6	-3.8
Nondurables	222.081	226.220	221.091	-0.4	-2.3
Nondurables less food	207.905	212.555	201.521	-3.1	-5.2
Services less rent of shelter (1)	327.316	333.407	335.845	2.6	0.7
Services less medical care services	307.078	311.069	313.695	2.2	0.8
Energy	267.374	279.152	261.787	-2.1	-6.2
All items less energy	262.874	265.795	267.150	1.6	0.5
All items less food and energy	269.167	271.964	273.026	1.4	0.4

<sup>(1)</sup> Index is on a December 1982=100 base.
(2) Special index based on a substantially smaller sample.
(3) Indexes on a December 1993=100 base.

<sup>(4)</sup> Indexes on a December 1997=100 base.

<sup>-</sup> Data not available.